

City of Springfield  
Work Session Meeting

MINUTES OF THE WORK SESSION MEETING OF  
THE SPRINGFIELD CITY COUNCIL HELD  
MONDAY, JUNE 14, 2004.

The City of Springfield council met in a work session in the Jesse Maine Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, June 14, 2004 at 5:30 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Ballew, Woodrow, Lundberg, Ralston and Fitch. Also present were Assistant City Manager Cynthia Pappas, City Attorney Joe Leahy, City Recorder Amy Sowa and members of the staff.

1. Joint Meeting with Springfield Area Chamber of Commerce.

Mayor Leiken introduced Springfield Chamber President Sue Slaughter-Nichols. Other Springfield Chamber Board members included Paul Roth, owner of Roaring Rapids Pizza and Camp Putt; Chamber Vice President Mike Donnelly, Springfield School District; Chamber Treasurer Dean Huber; Dan Egan, Executive Director of the Springfield Chamber; Corkey Gourley, State Farm Insurance; and Richard Boyles, Insight Hotel Management Group.

The current Chamber Board President, Sue Slaughter-Nichols and several members of the Chamber's Executive Committee met with the Mayor and Council March 8, 2004 to share information and discuss the contract for tourism services, the Chamber's work plan, and common goals and issues. The Chamber and City Council planned a follow-up meeting to include major proposed projects: possible urban renewal districts for Downtown and Glenwood and development of a new civic center and how it could enhance tourism.

Ms. Slaughter-Nichols said since the Chamber met with council on March 8, they have conducted eight discussions with potential partners and property owners and have completed all of their first round conversations. They looked at Gateway, Glenwood and downtown. All three areas continue to be the focus for a conference center/hotel project at this time. A group attended a conference in Florida and took a road trip through the Willamette Valley to areas that have or are beginning public assembly projects. She discussed the different areas they visited. There were a number of private and public representatives that were a part of this trip, including representatives from Convention and Visitor Association of Lane County (CVALCO), Councilor John Woodrow and City Manager Mike Kelly.

Mr. Boyles discussed the projects in Corvallis at the CH2M Conference Center and in Salem. Both are projects where there had to be substantial public involvement to get the project accomplished. The hotel piece was subsequent to an express community desire to get a conference center done. There are other models. From a hotel perspective, a project could be done in Springfield but it would take a public/private partnership to get it accomplished. Council has wanted to learn about this project and the Chamber members hope to bring some ideas to council.

Community Development Manager John Tamulonis presented a slide show of similar projects.

Ms. Slaughter-Nichols referred to the slides and pointed out the hotel and conference center in Salem. Mr. Tamulonis referred to slides showing different conference centers in Florida and around the country. He discussed the information and ideas they got from the conference in Florida.

Mr. Boyle's said the project they visited in Florida was done in pieces and does not work together effectively. A vision needs to be in place to make it function well.

Mr. Roth said they talked with eight potential partners about Glenwood and the Gateway area for a potential development. He was most interested in the Glenwood area and they spoke with potential partners for that area. He noted that someone said Glenwood looked great from 1000 feet, but is not as attractive from ground level. He discussed urban renewal and how that could assist in the development of this area. With city involvement, there could be a better way to package Glenwood to potential partners. There is real interest in Glenwood, but it is not yet the time. There is a need to work on the packaging.

Ms. Slaughter-Nichols said the potential partners said that if the Glenwood and/or downtown areas were Urban Renewal Districts there would be greater possibilities. The city involvement seems to be an important message for the private developers and other potential investors. Gateway continues to be a special focal point as the existing visitor's center is clustered there.

Mr. Egan said Lane County had a tourism summit earlier in the year. During the summit, it was noted that Eugene and Springfield have not kept up with these types of developments. The infrastructure in Lane County has not been appreciatively added to in a number of years. Other areas throughout the northwest are competing with Lane County for businesses. The Lane County Tourism Task Force is tasked to do a gap analysis; what exists now in Lane County, how do we compare to other areas, and where are the gaps (do we have enough hotels, meeting spaces and attractions). There is great scenery in our area, but not a lot of attractions. We haven't built a lot of facilities in this area. The University of Oregon (UofO) has added to their facilities, which is a good thing. The UofO is a major player in bringing people in for sporting events, schooling and conferences. We are less competitive because of the things being done in other counties. The Salem conference center will be opening in 2005.

Mr. Egan said the task force is looking at a lot of other issues and new ideas. He referred to a magazine discussing technology making meetings and conferences more effective. Many new facilities are adding this component. At the Florida conference, it was advised that new facilities enlist as much new technology as affordable. He said now is the right time for the conference center with the technologies. The Clarion is no longer available for a meeting space, so there is now a more urgent need for such a space. He referred to the discussions held with eight potential partners. They spoke with these people about a conference center and hotel. A number of people were interested, and some were not interested. They will have second conversations with those who are interested. There are a couple of questions they need council to answer so the task force can relay them to the potential partners. One question is what is the city's stand?

Sometimes questions are area specific relating to downtown or Glenwood. There is a strong sense there needs to be a strong commitment from the city in the downtown and Glenwood areas. The private sector feels these projects are done with public involvement. The Chamber would like to have a discovery meeting with the Mayor and council about the financing they have learned about through their research. The Chamber has information on how the business plans work and how the financing works for the cities and the private developer. They would like another level of meeting with city council and staff. He discussed one of the financing options of a private party building the project and leasing it back to the public entity until the public entity owns the building.

Councilor Woodrow asked Mr. Boyles how many people a conference center and hotel might employ.

Mr. Boyles said assuming the hotel is full service and provided service for the conference center as well, it would employ about 160-200 people. There would be seasonal changes and changes with special events.

Councilor Woodrow asked how many room nights that would be per year.

Mr. Boyles said with a 200 room hotel, you would likely be able to achieve 65-70% occupancy.

Mr. Egan discussed the room occupancy of the Hilton and the Hult Center in Eugene.

Councilor Ralston said he is not in favor of public involvement. He would like to know more about the financing. Our citizens have to make the decision on financing such a project. He is in favor of a convention center, but it should be market driven with private funding.

Mr. Egan said it is council's job to protect the public's interest. There are about a dozen ways to finance. The chances the private sector would pursue this without the city's involvement is rather slim, but they could look at that option. They can look at models where the public exposure is minimal. A conference center alone does not generate enough revenue to pay its debt over time. If you have a hotel with the conference center, it gives the ability to structure between the hotelier and the city or county, a repayment schedule that protects both. The goal is to generate enough revenue to pay off all investments and have some left over. The next step is for the council to go and meet with other cities to see what they have done.

Councilor Fitch said as the Chamber of Commerce looks at a conference center, the Chamber members would benefit by the money brought in by those visitors. She asked what the success rate was of these conference centers and if they are used more by out of town visitors or in town groups. She also asked how much they are subsidized.

Mr. Egan said it varies a lot. Placement is very important and that is why studies are done. The Chamber has done many studies over the years. They know it is important not to make a mistake in placement. He referred to a case study in which a hotel was located in the wrong place in a community and why it failed. The Chamber would like to meet again with council to discuss models that work and get council's input. He discussed subsidies and looking at ways to build the

conference center and hotel without relying on subsidies. He discussed areas that have put in only a conference center or only a hotel and the ineffectiveness of both scenarios.

Mayor Leiken said it would be best to look at areas that are most ready to go. In Springfield, the Gateway area is the most ready. With the ongoing work that needs to occur in downtown and Glenwood, those areas are not ready to go at this time. He said by focusing on Gateway for a conference center they may be able to get more citizens involved. Gateway is a great site in the metropolitan area. He referred to the I-5 Beltline project and the support that project received because it was ready. There is still a lot of work that needs to be done in downtown and Glenwood. We should start focusing on a certain area. He appreciates the Chamber and the Task Force and their vision for Springfield.

Mr. Egan said they do not want to shut the door on any location, but will study this closely. With council's input, the private sector will pay more attention to this project. Potential partners ask questions and the Task Force cannot answer for the council. Meeting with council allows them to get some answers and feedback from council to take back to those potential partners. Having a more in depth meeting about what council likes and what council doesn't like will move this project forward more quickly.

Mayor Leiken said they are getting close to asking for some commitments.

Councilor Ralston said the sooner they meet to discuss these details the better. The citizens need to be involved if it is going to make an impact on citizens and public money. Citizens need to agree to this; council cannot make the decision by themselves.

Ms. Slaughter-Nichols said they would also like to discuss urban renewal. Mr. Tamulonis distributed a handout with a timeline and steps in adopting an urban renewal plan. Ms. Slaughter-Nichols said the Chamber staff and committee members have attended several council work session presentations regarding the concept of urban renewal. The Future Committee of the Chamber has also discussed this at several of their meetings. The committee feels urban renewal could be a positive and legitimate tool to be used in downtown Springfield and Glenwood. Developers have said there is a need for this type of public investment. The committee decided to urge the City Council to explore districts for both Glenwood and downtown.

Mr. Egan said the committee wanted to address this in a way that they could make a recommendation based on what they have heard. Urban renewal is simple and complex at the same time. In downtown it does seem like a legitimate tool. It has been used, usually successfully, by cities in and outside of Oregon. The committee felt there needed to be a discussion of the vision for those two areas. That needs to be in place as soon as possible so businesses in the area can know if it would impact them. The committee wanted to discuss job growth, because it is often a big part of urban renewal. Increased employment and property value will influence the business community. Urban renewal should speak to how the community feels about the area. Image and identity are important. Gateway happened with involvement from the public sector and a vision. An increase in private investment is needed and he discussed several opportunities that have presented themselves to the Glenwood area. Small business is still the

backbone of the Springfield/Eugene area. He discussed the future I-5 project offering access into Glenwood which will be a great asset for this area.

Mayor Leiken said Commissioner Green returned from a transportation meeting and the Environmental Impact Study (EIS) for the new I-5 bridge now includes the study for an off ramp into Glenwood. The fact it was included sends a strong statement and allows us to see this could actually work. He discussed the great amount of support from the legislature, especially from Representative DeFazio.

Mr. Egan discussed some of the other projects in Oregon cities that took a number of years. He discussed the obstacles they faced and the opportunities that they took along the way which brought their projects to fruition. Downtown continues to incrementally increase its value and is on the right path. The Chamber would like to remain involved as the city looks at urban renewal. It seems to be worth looking into further.

Mr. Roth said he would like to encourage those that are creating the vision to think big. There is great potential for these areas.

Councilor Ralston referred to the handout showing the timeline for urban renewal. He asked if the timeline was accurate. He said it seems to be moving too fast and would not allow council or the citizens to learn enough about urban renewal to make a decision.

Mr. Tamulonis said this timeline was presented to council in May. Council directed staff to come back with a potential plan for downtown in July. As directed by council, staff has been gathering information from Lane County Tax Assessor on Glenwood and downtown and has talked with Willamalane Parks District Board regarding projects that could be incorporated in the urban renewal. Staff hopes to bring a vision for downtown to council in July. A vision for Glenwood would take longer because of the complexities of multi-jurisdictional areas within Glenwood involving the city and Lane County. If urban renewal for downtown were to go to a vote in November, there would be several months when information would be given to the citizens about the district. This would have to go to a vote first and would then come back to City Council for their approval in January. This would only go on the November ballot during the General Election if council agreed to place it on the ballot.

Mayor Leiken said if council does not feel comfortable with the plan, they do not have to move forward with it. Council had directed staff to move ahead with a plan to bring to council within the timeline shown.

Mr. Egan agreed that many people might not be able to vote for it at this time until there is more information. If there was a vision that could show the projects and job growth in the community, the business community would be able to support this. If it could be shown that urban renewal is a tool to increase job growth, the business community would support it. Glenwood is special with river frontage property and is different than downtown. The Chamber looks forward to having a continued conversation about urban renewal with the council.

Mr. Egan reminded council that the first Chamberfest will be held June 22 at Roaring Rapids from 4-7pm. There will be significant business awards that night including the Pillar of the Community to Weyerhaeuser and Businesses of the Year to McKenzie Forest Products and The Pioneer Pacific College. The highlight of the event will be Mayor Leiken challenging Mayor Torrey of Eugene to a miniature golf contest.

Mayor Leiken distributed some information on the Mayor's Business Advance Team (MBAT). An invitation letter will be going out in the next week to those the Mayor would like to join this task force. He looks forward to working with the Chamber on this as well.

2. Police Planning Task Force Application Review.

Police Chief Jerry Smith presented the staff report on this item. There are four existing vacancies on the Police Planning Task Force. One is the School District representative and three are citizen-at-large positions. Ten candidates have applied.

The Police Planning Task Force received a total of 10 applications to fill current vacancies. Applications were received from Diana Garcia, Bruce Webber, Gery VanderMeer, Juan Cuadros, Carol Dickenson, Bryan Smeltzer, Mark Watson, Wesley Seckler, Fred Simmons, and Tina Novack.

It was determined that Tina Novack does not live within the city limits and is not eligible to apply except as a business representative. Since there are currently no business owner positions available on the task force, she was not interviewed.

Candidates were interviewed on May 26<sup>th</sup>, May 27<sup>th</sup>, and June 3<sup>rd</sup>, 2004 by the PPTF subcommittee. The task force recommends that Mark Watson be appointed to represent the Springfield School District, and that Diana Garcia, Bruce Webber and Fred Simmons be appointed as citizen-at-large members.

Councilor Fitch was impressed with the number of applicants and the quality of the applicants. She recommended the PPTF keep the applications for those not appointed for future vacancies.

3. Review Proposed Management Agreement Between the City of Springfield and the Springfield Museum Board.

Development Services Director Bill Grile and Museum Coordinator Kris Redmond presented the staff report on this item. Mr. Grile introduced Museum Board Chair Steve Stermer. Mr. Stermer introduced Kris Redmond, Museum Coordinator, and Bev Medford, Museum Board member.

Mr. Grile said the city hopes the Springfield Museum can prosper and grow by seeking community support for its programs, thereby lessening dependence on the city for financial support. The Museum Board believes it can accomplish this by improving the operation and management of the Museum through a contract with the city for these services. To this end, the board and city staffs have drafted a proposed agreement that can define a new relationship between the board and

City. The board supports the proposed agreement. It is now presented to the City Council for consideration.

The Springfield Museum values its relationship with the City of Springfield and is looking forward to continuing a strong working relationship for many years. The proposed agreement articulates mutual expectations. It creates the structure needed for the Springfield Museum to be a “stand on its own,” viable non-profit operation.

City Attorney Joe Leahy has been instrumental in helping craft the proposed agreement. The Museum Board has had the proposal reviewed by its own legal counsel.

In short, the proposed agreement provides for the city to continue to own the building and permanent collection, to pay utilities and to provide other minimal operations support such as telecommunications and building security. The proposal calls for the Museum Board to maintain and enhance the permanent collection and manage Museum programs and operations, in part as a tourism facility and tourism support service. For this, the Museum Board requests \$34,440 of room tax proceeds during FY 05. In addition, the board requests (i) \$2,637 as one-time funding needed for computer equipment and software, and (ii) Museum building remodeling needed to create an office for the museum manager. The requested remodel is estimated to cost +/- \$10,000. Finally, the board also requests that if room tax receipts for FY 2004/2005 exceed projections that the Museum receive the amount over the estimate for FY 05 to help insure a successful startup year.

The proposed agreement is written to be renewed annually. If the proposal meets the council's expectations, it will be presented for approval at the Regular Session on June 21, 2004 and will take effect July 1, 2004.

Mr. Grile referred to Attachment II included in the agenda packet which outlined some one time money the Museum is requesting for a permanent office.

Councilor Ballew asked if the \$34,440 was already in the proposed budget.

Mr. Grile said that was correct. He said the agreement also provides the additional \$12,637 being requested for the office, laptop and software components.

Mr. Leahy suggested referring to the exhibit in the paragraph under Section 3(3) in the contract so the cost is locked in at \$12,637.

Councilor Fitch referred to the note at the bottom of Attachment II which stated “the Museum Board requests that if room tax receipts exceed FY05 projections, that such excess be granted to the Museum . . . “. That is not normally done for other entities and she would like to remove that from the contract.

Ms. Redmond asked if they could put in the contract to revisit this in six months.

Ms. Pappas said council looks at room tax receipts annually. In the past, any overage has been put into a fund that has gotten carried over to the next year. Groups could apply for those funds at that time and the funds would be allocated based on criteria. That type of committee has not been in place for some time.

Councilor Fitch said she would like to remove it since the one time money is already listed.

Councilor Woodrow asked if they would be eligible to apply for CDBG funds as a 501(3)(c) agency. Ms. Redmond confirmed that they would if they met the requirements.

Councilor Ballew said the city does not have a lot of money. She discussed the amount the city would continue to contribute to keep the Museum running. In addition, the city is being asked to build an office they have never done before and to provide computers and software.

Mr. Stermer noted HB 2267 stated cities must spend the same amount on tourism as they have in past years. To his knowledge, twenty-five percent of room tax dollars has been spent on tourism in Springfield. The Springfield Museum has been the recipient of those funds in the amount of \$34,440. The Museum would come back each year to ask for those proceeds as part of their contract. He discussed the money used to maintain the Museum in the past and how that amount would be less in future years. The office they are asking to have built would replace the office currently housed in city hall. He discussed the other computers they have in the Museum which were donated to them. The board sees this as a win-win situation and is looking forward to the relationship with the city. He discussed the cut in funds for the Museum Director from the city. The board believes in the Museum and would hope the council could believe in the Museum and allow them to carry this out.

Ms. Medford said the Museum Board is stepping out and taking on a major amount of work to the benefit of the city collection in the Museum they are trying to preserve. The Board is trying to make the Museum a viable institution without depending as much on the city and has raised outside funds to benefit the city. They have taken a large cut because of the room tax money yet are taking on more responsibility for half the cost of the director position to the city. She discussed the one-time money they are requesting in exchange for the amount of work the board is taking on. They need to have this one time step-up to make it viable.

Councilor Woodrow asked if the computer and software would belong to the city or the manager. It would belong to the city. He asked if the \$10,000 for the office space was an estimate or actual dollars.

Mr. Grile said they have received a bid from a private contractor and it reflects actual dollars.

Ms. Redmond said one of the reasons they are requesting the office in the Museum is because of complications of a non-employee having an office in city hall. They are still working some of these things out and trying to gain more independence as the council directed.

Councilor Ballew asked who "the manager" was as referred to in the contract.



Mr. Leahy said that represents the foundation.

Mr. Leahy said the changes he has noted so far to be made to the contract include 1) limiting the amount needed to the amount of city expenses as listed on Attachment II; 2) provide that the equipment acquired for the use of the "manager" would remain the property of the city; and 3) eliminate the "Note" from the last page on Attachment II. He referred to a question by council candidate Debi Baker regarding the contract. There are two provisions that relate to term and termination. Those are coexisting. One is to be sure the city has a way out on a regular basis if it is determined the city no longer wants to continue this contract beyond a year. The other provision relates to the city's option of terminating the contract during the middle of the year.

Councilor Lundberg said the costs the Museum are requesting would in turn belong to the city. She referred to the CDBG funding. She said it would be a landlord/tenant arrangement and we are basically asking someone to be in charge of our collection. She asked about getting the costs down.

Mr. Leahy said it is specifically not a landlord/tenant relationship and not under landlord/tenant law. They are there as a manager and the city could terminate under the terms in the contract. The citizens are the beneficiary.

Councilor Ralston said a viable Museum is important for a city this size and all want to see it succeed. This is a step in the right direction to make it better financially and he supports this proposal. The Museum does attract visitors to the downtown area. He discussed room tax money and tourism. The one time expenses are legitimate to help make them more self sufficient.

Councilor Ballew asked which fund the one time expenses would be coming from.

Ms. Pappas said they could come from one of the different reserve accounts depending on council direction.

Councilor Woodrow asked why our Public Works Department could not build the office.

Mr. Grile and Ms. Pappas responded to his question. The work load issues would not make it feasible.

Councilor Woodrow said the contract is a great idea. He supports the proposal and it is worth the investment. He applauded the board for the work they have done.

Councilor Fitch said the board should be commended. Perhaps the money for the computer and software could come from the equipment replacement fund from Development Services Department because the past Museum Coordinator was funded through that department. She suggested looking at other ways to cut the amount requested. A majority of the council would like this to come forward with the changes discussed.

Mr. Grile thanked council for considering this and the Museum Board for their hard work. It has been a great partnership.

4. Interim Ward 6 Councilor Discussion.

Assistant City Manager Cynthia Pappas was present for the staff report on this item. During the May 18, 2004 Primary Election, no one candidate received over fifty percent of the total votes counted. Pursuant to the Springfield City Charter, the two candidates who received the higher number of votes will go forward to the General Election in November, leaving this position vacant until the results of that election are certified.

Because there was no clear winner in the primary election for City Councilor for Ward 6, the position is vacant until after the General Election results in November 2004. Council can appoint an interim councilor to fill the position from the date of appointment through November 2, 2004. At that time the candidate declared the winner at the General Election would be appointed to fill the position until they are eligible to officially take office in January 2005.

Council also has the option to leave the position vacant until the candidate winning the General Election in November could be appointed.

Mayor Leiken said time is slipping away regarding this issue. Council has been without Ward 6 representation since Tim Malloy's resignation in March. The next Ward 6 councilor will not be determined until the election in November. At that time, council can choose to appoint the elected candidate to the position immediately following the election until the official swearing in ceremony in January 2005. He felt it was important to have a discussion regarding this vacancy. There have been phone calls that have come in and have generally been directed to staff by the Mayor or Councilor Fitch. If someone asks to speak with an elected official, the Mayor or Councilor Fitch usually takes those calls. The Mayor said he was in favor of finding someone who could come in to fill the vacancy through November. The Mayor contacted former Mayor Sandra Rennie to see if she was interested in serving as interim council. Although she was very interested, her schedule would not allow her to serve at this time.

Councilor Ralston said he does not want to appoint someone who would not have the detailed information to answer questions from citizens. He is not inclined to appoint anyone at this time, but would support appointing the winner of the General Election immediately following the election. He discussed the short amount of time an interim would serve and the fact they would not be someone elected by the citizens. He said he would be willing to step in as liaison to the Planning Commission until the new councilor is elected.

Mayor Leiken discussed upcoming agenda topics and how vacations could affect their quorum. The legal quorum is three councilors and there are currently only five.

Councilor Lundberg agreed with Councilor Ralston. There is normally a public process and this would not allow that process to take place and would leave it entirely in council's hands. A lot of staff time would be involved in getting an interim councilor on board for a short amount of time. Staff is already overworked and it would not be an efficient use of their time for such a short period of time with breaks. She said the urban renewal issue is coming up, but it is not the first

time a councilor will be coming on board in the middle of something the past council has already decided. She would suggest keeping the position vacant.

Councilor Ballew agreed that the public process and staff time are both important issues. She reminded council that although they are nominated by ward, they represent all citizens.

Councilor Fitch asked councilors to notify the City Recorder if they would be absent for future meetings because of important issues that would be scheduled for upcoming meetings. Council majority would like the position to remain vacant.

Mayor Leiken suggested a rotating system for taking calls from Ward 6 constituents.

Councilor Woodrow said he could take calls from Ward 6 constituents.

#### ADJOURNMENT

The meeting was adjourned at 7:02 pm.

Minutes Recorder – Amy Sowa

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Sidney W. Leiken  
Mayor

Attest:

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Amy Sowa  
City Recorder